

CULTURAL ENDOWMENT FUND

State Investment Board Balance Sheet As of 6/30/2006

| | |
|-------------------------------------------------|-------------------------|
| | As of <u>6-30-06</u> |
| ASSETS: | |
| INVESTMENTS (AT MARKET) | |
| DOMESTIC EQUITIES | \$ 98,422 |
| INTERNATIONAL EQUITIES | 21,442 |
| DOMESTIC FIXED INCOME | 81,963 |
| REAL ESTATE | 11,240 |
| INVESTED CASH (NOTE 1) | <u>5,455</u> |
| TOTAL INVESTMENTS | 218,522 |
| RECEIVABLES | |
| DIVIDEND/INTEREST RECEIVABLE | (26) |
| OTHER ASSETS | |
| INVESTED SECURITIES LENDING COLLATERAL (NOTE 2) | 34,343 |
| DUE FROM OTHER AGENCIES (NOTE 3) | <u>188</u> |
| TOTAL ASSETS | <u>\$ 253,027</u> |
| LIABILITIES: | |
| ACCOUNTS PAYABLE | 136 |
| SECURITIES LENDING COLLATERAL (NOTE 2) | 34,343 |
| DUE TO OTHER AGENCIES (NOTE 4) | <u>0</u> |
| TOTAL LIABILITIES | 34,479 |
| NET ASSETS AVAILABLE: | |
| NET ASSETS AVAILABLE BEGIN OF YEAR | 0 |
| CASH IN DURING YEAR (NOTE 5) | 213,659 |
| CASH OUT DURING YEAR (NOTE 6) | 7,500 |
| NET INCREASE (DECREASE) | <u>12,389</u> |
| NET ASSETS AVAILABLE END OF PERIOD | <u>218,548</u> |
| TOTAL LIABILITIES & NET ASSETS AVAILABLE | <u>\$ 253,027</u> |

CULTURAL ENDOWMENT FUND

State Investment Board Profit and Loss Statement For the Month Ended 6/30/2006

| | Month Ended <u>6-30-06</u> | <u>Year-to-Date</u> |
|----------------------------------|-------------------------------|---------------------|
| INVESTMENT INCOME | | |
| INTEREST/DIVIDEND INCOME | \$ 979 | \$ 6,043 |
| SECURITIES LENDING INCOME | 147 | 1,192 |
| | <u>1,126</u> | <u>7,235</u> |
| GAIN ON SALE OF INVESTMENTS | 3,108 | 30,690 |
| LOSS ON SALE OF INVESTMENTS | <u>2,767</u> | <u>19,491</u> |
| NET GAINS (LOSSES) INVESTMENTS | 341 | 11,199 |
| INVESTMENT EXPENSES | 207 | 668 |
| SECURITIES LENDING EXPENSES | 140 | 1,138 |
| SIB ADMIN EXPENSES | <u>82</u> | <u>313</u> |
| NET INVESTMENT INCOME | 1,038 | 16,315 |
| NET APPREC (DEPREC) MARKET VALUE | (815) | (3,936) |
| MISCELLANEOUS INCOME/(EXPENSE) | <u>(1)</u> | <u>10</u> |
| TOTAL INVESTMENT INCOME | <u>222</u> | <u>12,389</u> |
| NET INCREASE (DECREASE) | <u>\$ 222</u> | <u>\$ 12,389</u> |

CULTURAL ENDOWMENT FUND
Notes to Financial Statements
June 30, 2006

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1 **INVESTED CASH**

Cash invested in a money market demand account at the Bank of North Dakota.

NOTE 2 **SECURITIES LENDING COLLATERAL**

Securities are loaned versus collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned versus collateral valued at 102% of the market value of the securities plus any interest. Non-U.S. securities are loaned versus collateral valued at 105% of the market value of the securities plus any accrued interest. Non-cash collateral cannot be pledged or sold unless the borrower defaults. Cash open collateral is invested in a short term investment pool.

NOTE 3 **DUE FROM OTHER AGENCIES**

Amounts paid in anticipation of the allocation of administrative expenses of RIO.

NOTE 4 **DUE TO OTHER AGENCIES**

Amounts owed to RIO for administrative and direct costs charged.

NOTE 5 **CASH IN DURING YEAR**

Cash transferred into investment accounts at The Northern Trust during the current fiscal year.

NOTE 6 **CASH OUT DURING YEAR**

Cash transferred out of investment accounts at The Northern Trust during the current fiscal year.